

Message Text

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FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN

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E.O. 11652: N/A

TAGS: BEXP, IR

SUBJECT: ISR TENDER FOR 900,000 WOODEN CROSSTIES

1. KOPPERS CO., MAJOR U.S. SUPPLIER OF TREATED WOODEN RAILROAD CROSSTIES, TELEPHONE POLES, ETC., HAS ASKED COMMERCE TO SEEK EMBASSY GUIDANCE IN FOLLOWING MATTER:
(A) ISR TENDER NO. 51.487/36, INVITED BIDS ON 900,000 TREATED HARDWOOD CROSSTIES, CLOSING DATE NOVEMBER 21, 1977.
(B) KOPPERS, THROUGH TEHRAN AGENT, TEQUIP CO., SUBMITTED PROPOSAL TO SUPPLY ENTIRE AMOUNT AT 31.36 DOLS PER TIE, ACCOMPANIED WITH BID BOND IN AMOUNT OF TEN MILLION RIALS; ALL IN ACCORDANCE WITH TENDER SPECS. (C) NEITHER KOPPERS NOR TEQUIP HAS RECEIVED WORD FROM RAILWAY ADMINISTRATION (ISR/INR) RE OUTCOME. (D) PARTICIPATING COMPANIES REPORTEDLY INCLUDED TWO OTHERS FROM U.S. PLUS ONE EACH FROM FRANCE, WEST GERMANY, GREECE, AND BRAZIL. KOPPERS IS
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PAGE 02 STATE 144023

CONFIDENT IF CONTRACT AWARDED ON MERIT BASIS THAT IT HAS EXCELLENT CHANCE OF PREVAILING. IT BELIEVES ITS ONLY SERIOUS COMPETITOR IS PETROBRAS (BRAZIL) WHICH QUOTED 25 DOLS PER TIE; HOWEVER, KOPPERS CONVINCED THIS PRICE NOT POSSIBLE WITHOUT GOB SUBSIDY OF SOME SORT, AND AT ANY RATE DOUBTS PETROBRAS COULD PERFORM ADEQUATELY ON TRANSACTION OF THIS SIZE. BOTH FRENCH AND GERMANS BID ON SMALLER QUANTI-

TIES AND GREEKS PROPOSED TO SUPPLY UNTREATED TIES. AS FOR

LOGISTICAL HELP AND WAS TURNED DOWN WHILE OTHER WAS MERELY A BROKER WITH NO WOOD TREATMENT FACILITIES.

2. KOPPERS WOULD APPRECIATE EMBASSY HELP IN ASCERTAINING ANSWERS TO FOLLOWING QUESTIONS: (A) IS ISR/INR STILL SERIOUSLY CONSIDERING PROCURING 900,000 WOODEN CROSSTIES? (B) IF SO, IN WHAT TIME FRAME? (C) WHO ARE KEY INDIVIDUALS INVOLVED (E.G., WHO IS NOW TOP OFFICIAL AT ISR/INR; IS ENG. NAJAFIAN STILL IN CHARGE OF TECHNICAL AFFAIRS? (D) IS ABOVE-MENTIONED TENDER STILL ALIVE OR HAS PROCUREMENT BEEN TURNED OVER TO OUTSIDE AGENCY OR TECHNICAL ASSISTANCE CONTRACTOR? (E) ARE PLANS AFOOT TO DEVELOP DOMESTIC PRODUCTION FACILITIES? (F) WHAT INFORMATION IS AVAILABLE RE RAILWAY EXPANSION TIMETABLE OVER NEXT FIVE/TEN YEARS?

3. ANSWERS TO FOREGOING QUESTIONS WOULD HELP KOPPERS IN ITS CURRENT EFFORT TO DEVELOP LONG-TERM SALES STRATEGY FOR IRAN. CAMPAIGN MIGHT BE KICKED OFF BY SOFT-SELL VISIT TO TEHRAN FOR PURPOSE OF MEETING KEY CONTACTS IN ISR/INR, DISCUSSING IRAN'S RAIL TRANSPORTATION REQUIREMENTS, SPECIAL FACTORS AFFECTING TYPE OF ROADBEDS NEEDED, ETC. KOPPERS RECENTLY HAD OCCASION TO MOUNT IN-DEPTH BRIEFING PROGRAM ON RAILWAY TIE TECHNOLOGY FOR BENEFIT OF TOP OFFICIALS OF UNCLASSIFIED

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PAGE 03 STATE 144023

FEDERAL RAILWAY ADMINISTRATION, MOST OF WHOM HAD INADEQUATE UNDERSTANDING OF SUBJECT. SUCH A PROGRAM, MODIFIED FOR IRANIAN AUDIENCE, COULD BE PUT ON IN TEHRAN ON FAIRLY SHORT NOTICE. APPROACH COULD RANGE FROM ONE OR TWO WOOD TREATMENT EXPERTS WITH BRIEFCASE-SIZED A/V EQUIPMENT VISITING ISR/INR HEADQUARTERS, TO MORE ELABORATE

TECHNICAL SALES SEMINAR, INCLUDING SENIOR EXECUTIVES, HELD AT TRADE CENTER AS BSP. OR, IF TIMING APPEARS RIPE, CAGNE MIGHT ORGANIZE OP EVENT WITH HELP OF PERTINENT TRADE ASSOCIATIONS; WHILE KOPPERS WOULD BE ONLY ONE OF SEVERAL COMPANIES INVOLVED IN THE EFFORT, WE ARE ASSURED THAT IT WOULD ENTHUSIASTICALLY SUPPORT SUCH AN APPROACH PROVIDED IT COULD COUNT ON ATTENDANCE BY DECISION-MAKERS WITHIN ISR/INR, AND PROVIDED EVENT COULD BE STAGED IN TIME TO INFLUENCE DECISION ON CROSSTIE PURCHASE.

4. EMBASSY/USTC COMMENTS AND SUGGESTIONS, TOGETHER WITH AS MANY ANSWERS TO QUESTIONS IN PARA. 2 AS CAN BE OBTAINED QUICKLY, WOULD BE APPRECIATED SOONEST, WITH ANSWERS TO REMAINING QUESTIONS BY SUBSEQUENT CABLE. VANCE

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